SOVIET MOTIVES IN THEIR TRADE AND ASSISTANCE PROGRAM IN THE FREE WORLD

Soviet international economic relations have come a long way in forty years, from sealed borders in 1918 to Khrushchev's recent declaration on the United States of "war in the peaceful area of international trade."

From the revolution until the 1950's, the USSR and subsequently its Communist neighbors pursued a policy of autarky and economic isolation. Soviet departures from economic isolation in the pre-World War II years were almost completely a reflection of attempts to strengthen the autarkical position of the economy. By selectively drawing upon Western capital goods and technology, the Soviet leaders were able to accelerate the industrial and military development of the USSR.

After World War II, any serious thoughts of the USSR's engaging in extensive world commerce had to await the completion of the reconstruction task and to some degree the passing of Stalin who still presented to the West a face of hostility and suspicion. It was in the early postwar years, however, that the USSR made its first major incursion into international trade. The creation of Communist governments in the countries of Eastern Europe and Asia gave the USSR for the first time an opportunity to have economic dealings with countries whose governments were sympathetic to Soviet aims. The USSR was not only able to direct the economic progress of these countries toward its own reconstruction program, but used the economic ties thus created to help subjugate these countries. Thus, in the early postwar years, Soviet economic activity within the countries of the Sino-Soviet Bloc gave the USSR its first major demonstration of the political and economic gains which can result from foreign trade.

In those early postwar years, the Soviet attitude toward countries outside the Bloc was one of hostility. Neither the stability of the newly-formed governments of Asia and the Near East, nor the reaction of the war-weary Western democracies toward forceful Communist expansion had been put to the test. Soviet leaders, feeling these factors were in their favor, launched a program of expansion by force and subversion. Thus, the USSR, by force in Korea, Indochina, and Malaya and by subversion in most of the other newly-independent countries of the underdeveloped world, attempted to expand the Communist sphere of influence.

It had become apparent, however, by the mid-1950's that the Western democracies were not willing to stand idle while forceful Communist expansion was attempted. Likewise, the new governments of Asia had proved remarkably stable. It seemed that at least for the time being the war between Communism and Capitalism was not primarily to be fought either on the battlefield or through the processes of subversion. It was readily apparent to the Soviet leaders that the United States, which since the war had engaged in a very large program of foreign economic assistance, had through this program managed to check the Communist threat in Western Europe and to bolster key governments in the underdeveloped world. Against this background, the USSR revised its attitude toward economic isolation and initiated a program of expanded economic relations with non-Communist countries.

The shift to the new policy tool came at an opportune time. The underdeveloped (and largely uncommitted) countries of the Free World were in the market for machines and technical assistance to aid in their ambitious developmental programs. Soviet preoccupation with postwar reconstruction and the economic drain of the Korean War were things of the past. The rapidly expanding industrial base was easily capable of providing the materials to launch at least a modest program of trade and aid with countries outside the Bloc. Lastly, much of the program would have a fairly sound economic base, involving as it would the exchange of goods which were becoming relatively plentiful inside the USSR for primary products which would provide useful raw materials for their expanding industrial complex.

The present Soviet international economic effort is probably more a result of a Soviet reevaluation and redirection of strategy in the Communist world-Free World conflict than of economic necessity although elements of the latter are most certainly considered. Stalin's policies of Soviet isolation, of trade with the Free World restricted to purchase of commodities requisite to critical Soviet industrial growth, and of disregard, if not contempt, for Free World impressions of Soviet international pressures have been profoundly changed. The USSR has sought an enlarged role in world councils. It has rapidly expanded its foreign trade with the Free World, frequently employing trade as an instrument for promotion of political activity where formerly a crude form of subversion and interference would have been used. Conveniently, the primary products obtained in this trade are useful in fulfilling expanding Soviet industrial requirements. Coincident with these developments, the USSR has become seriously concerned about its reflection in the eyes of the Free World.

It appears to wish to secure for itself an aura of respectability, of cultural, scientific and industrial as well as military strength. The recent revision of Soviet trade policy, which has placed emphasis on the expansion of Soviet foreign trade and the development of a Soviet economic assistance program, is in many ways the keystone in this arch of respectability the Soviets hope to build. For Stalin it was enough that everyone feared him and his state; the new leadership seeks world respect and status on a more traditional basis.

Thus, the current motives of Soviet leaders in their expanding role in international economic affairs stem from a number of not easily separable factors. Economic advantage certainly plays a part as witness the increasing capability of Soviet industry to deal advantageously in Western markets. The desire for international respectability cannot be discounted in a nation which for the first forty years of its existence was not a member in good standing of the world family of nations. Strategic position must also be considered a motive, particularly in Soviet economic relations with countries on the periphery of the USSR or otherwise strategically located. Despite current Soviet economic blandishments, however, the essence of Soviet relations with the Free World remains today as it has for the past forty years -- a matter of Kto Kovo, "Who will conquer whom?" "As long as capitalism and socialism exist," wrote Lenin in 1920, "we cannot live in peace; in the end one or the other will triumph -- a funeral dirge will be sung over the Soviet Republic or over world capitalism."